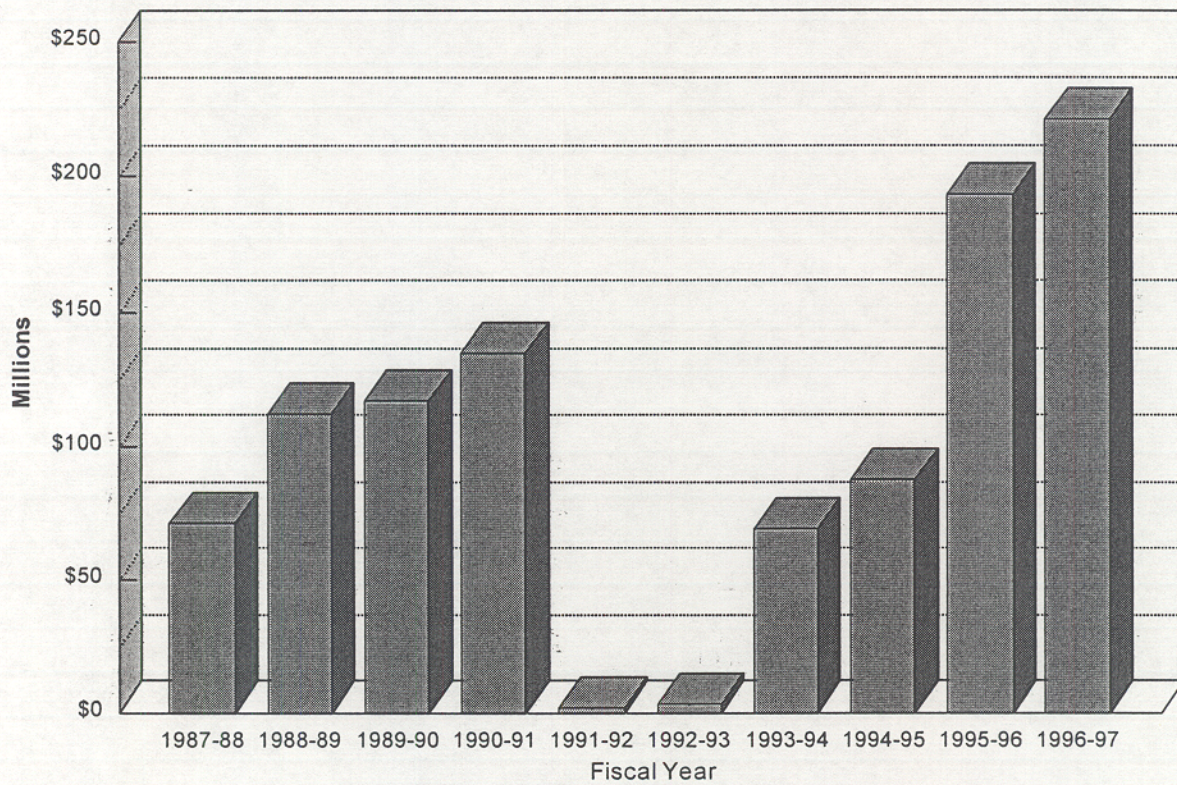
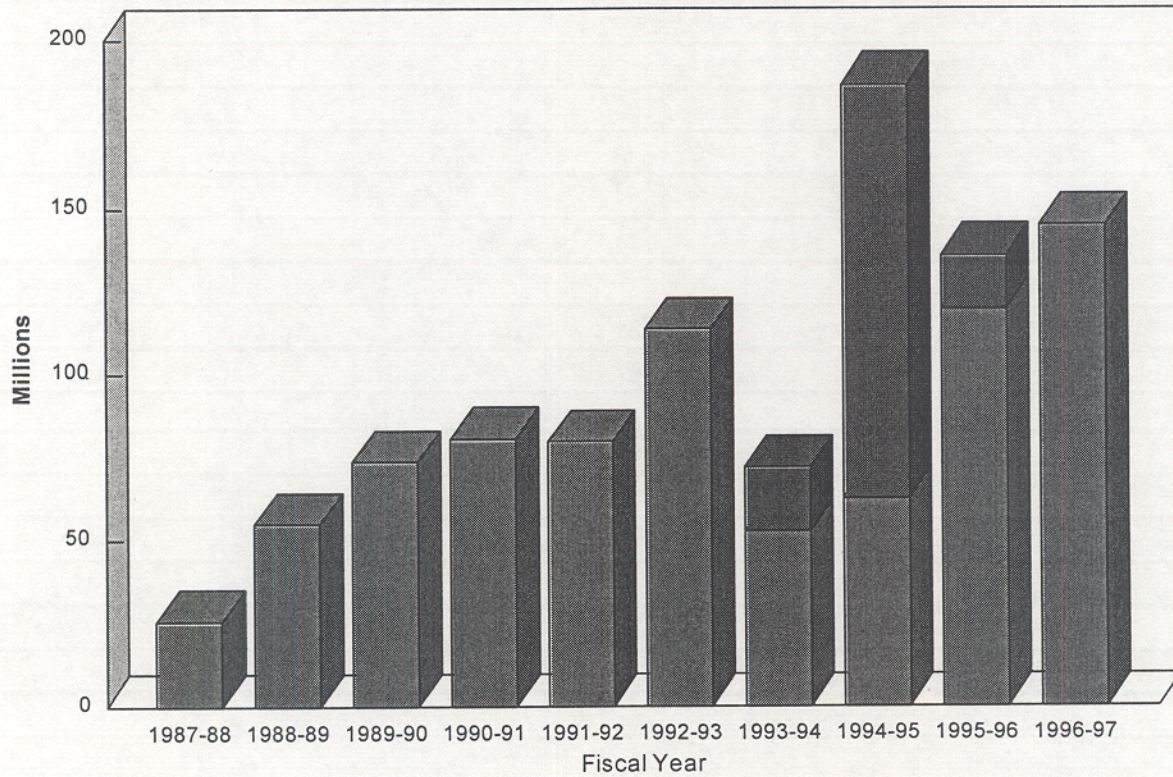


Premiums Collected



Fiscal Year	Premiums
1987-88	\$70,933,701
1988-89	\$111,864,517
1989-90	\$116,745,861
1990-91	\$134,591,411
1991-92	\$1,775,132
1992-93	\$3,145,241
1993-94	\$68,845,869
1994-95	\$87,348,273
1995-96	\$193,360,233
1996-97	\$221,425,973

Loss Payments and Claims Expenses

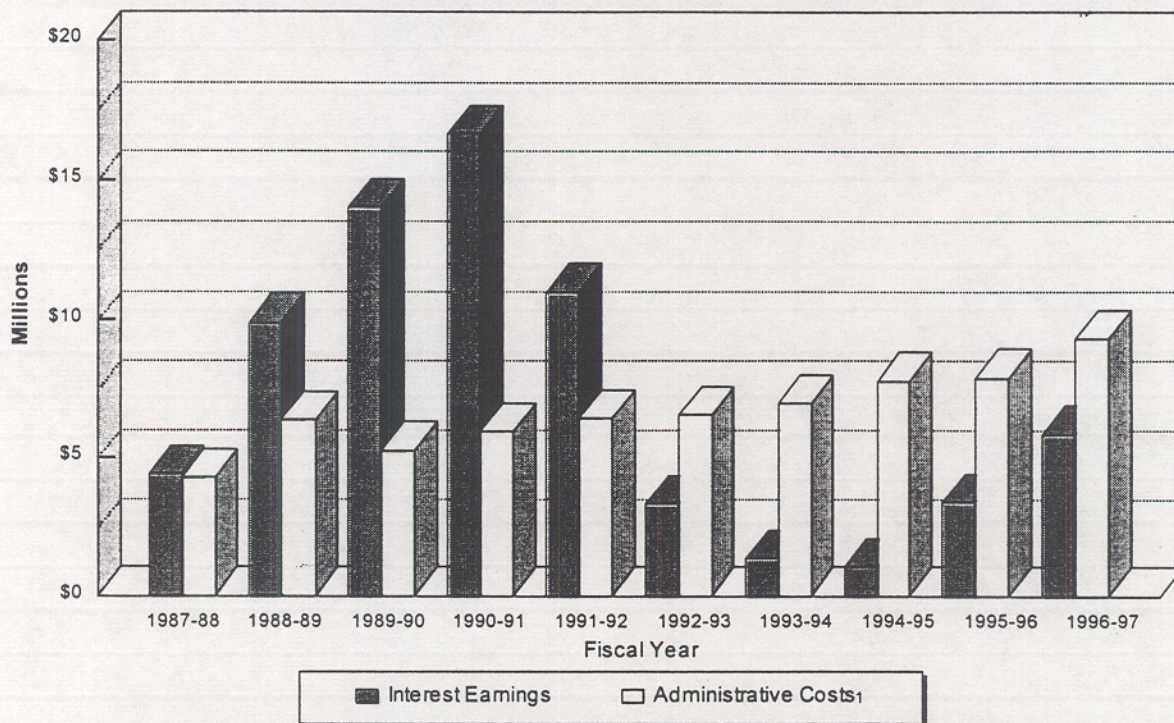


Fiscal Year	Total Claims Cost ¹
1987-88	\$25,862,698
1988-89	\$55,112,442
1989-90	\$73,508,509
1990-91	\$80,410,280
1991-92	\$79,744,126
1992-93	\$113,665,754
1993-94	\$52,978,062 ²
1994-95	\$62,918,105 ²
1995-96	\$119,946,754 ²
1996-97	\$144,892,230

¹ Includes Loss Payments and loss adjustment expense (internal and external legal costs, adjusting and miscellaneous expense).

² Totals do not include amounts paid by Legislative Appropriation of \$18,858,740, \$123,644,132 and \$15,831,332 in FY 94, 95, and 96.

Interest Earnings vs. Administrative Cost



Fiscal Year	Interest Earnings	Administrative Costs ¹
1987-88	\$4,412,202	\$4,313,789
1988-89	\$9,900,102	\$6,383,078
1989-90	\$13,999,243	\$5,290,218
1990-91	\$16,648,961	\$5,976,164
1991-92	\$10,973,250	\$6,437,556
1992-93	\$3,346,419	\$6,574,934
1993-94	\$1,342,554	\$6,995,833
1994-95	\$1,042,107	\$7,794,305
1995-96	\$3,396,422	\$7,908,967
1996-97	\$5,887,778	\$9,338,184

¹ Includes Administrative and unallocated expenses (adjusting and Second Injury assessment).

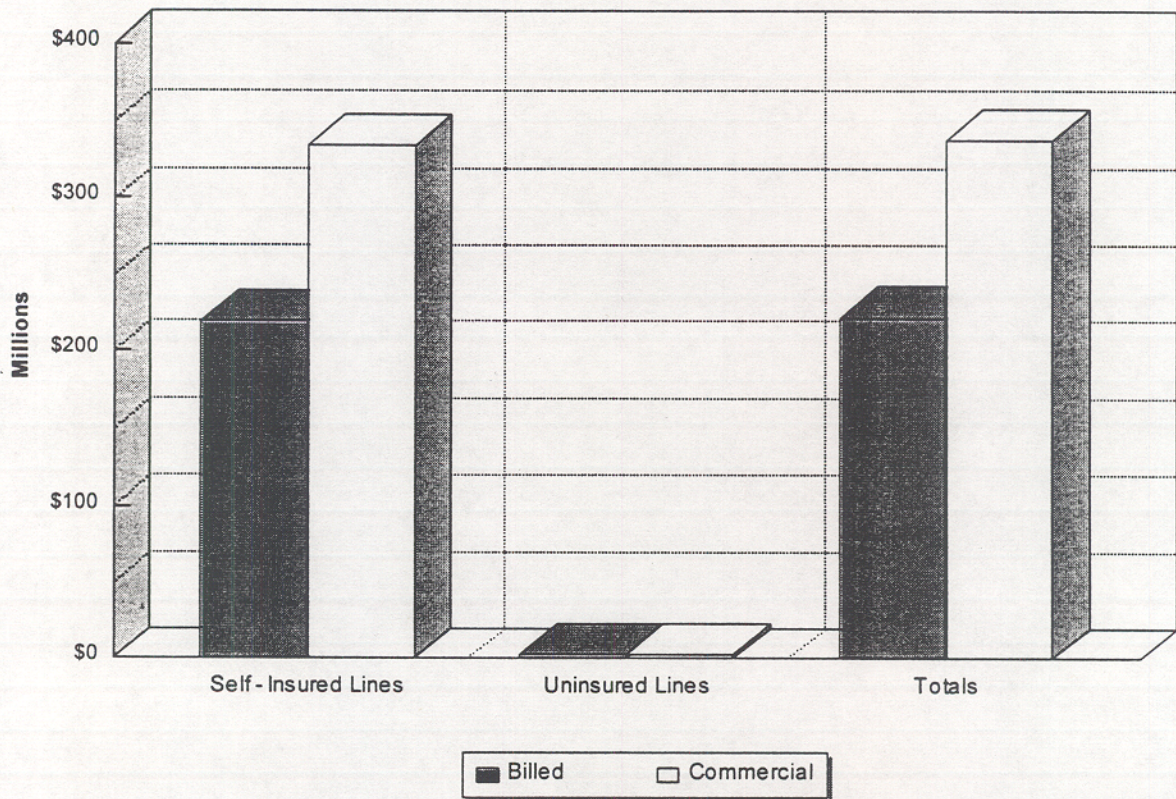
Premium Comparison and Program Savings

Shown in the following chart are the Office of Risk Management's Billed Premiums for Fiscal Year 1996-97, Equivalent Commercial Premiums and the indicated statewide savings by line of coverage. In Fiscal Year 1996-97 the Billed Premiums did not include deficit amounts needed to recoup uncollected premiums from prior years. Again in Fiscal Year 1996-97, ORM was not allowed by the Legislature to collect 100% of the Budgeted Premiums. The Commercial Premiums do not include any deficit amounts. For comparison purposes on this chart, we have used the billed premium amounts as opposed to the budgeted recommendations that have been used in the past.

Self Insured Coverages	Billed Premium	Equivalent Commercial Premium	Program Savings
WORKERS' COMPENSATION	\$53,751,164	\$59,409,924	\$5,658,760
W.C. MARITIME	1,110,885	1,162,577	51,692
GENERAL LIABILITY	31,393,634	38,117,565	6,723,931
PERSONAL INJURY LIABILITY	14,639,494	16,118,813	1,479,319
AUTO LIABILITY	11,604,634	20,313,016	8,708,382
AUTO PHYSICAL DAMAGE	1,678,536	4,290,048	2,611,512
PROPERTY DAMAGE	16,775,088	26,399,769	9,624,681
BOILER & MACHINERY	2,069,246	5,075,532	3,006,286
BONDS	637,151	831,653	194,502
CRIME	68,822	1,142,055	1,073,233
MARINE	1,315,738	1,324,332	8,594
AVIATION	646,321	887,045	240,724
MEDICAL MALPRACTICE	54,075,622	62,348,243	8,272,621
ROAD & BRIDGE HAZARD	25,788,030	91,210,170	65,422,140
MISCELLANEOUS TORT *	4,440,802	5,575,835	1,135,033
Self Insured Sub-Totals	\$219,995,167	\$334,206,577	\$114,211,410
Uninsured Coverages			
MEDICAL MALPRACTICE	\$999,966	\$1,335,068	\$335,102
ROAD & BRIDGE HAZARD	941,499	1,219,242	277,743
OTHER UNINSURED	497,289	643,990	146,701
Uninsured Sub-Totals	\$2,438,754	\$3,198,300	\$759,546
GRAND TOTALS	\$222,433,921	\$337,404,877	\$114,970,956

Premium Comparison and Program Savings

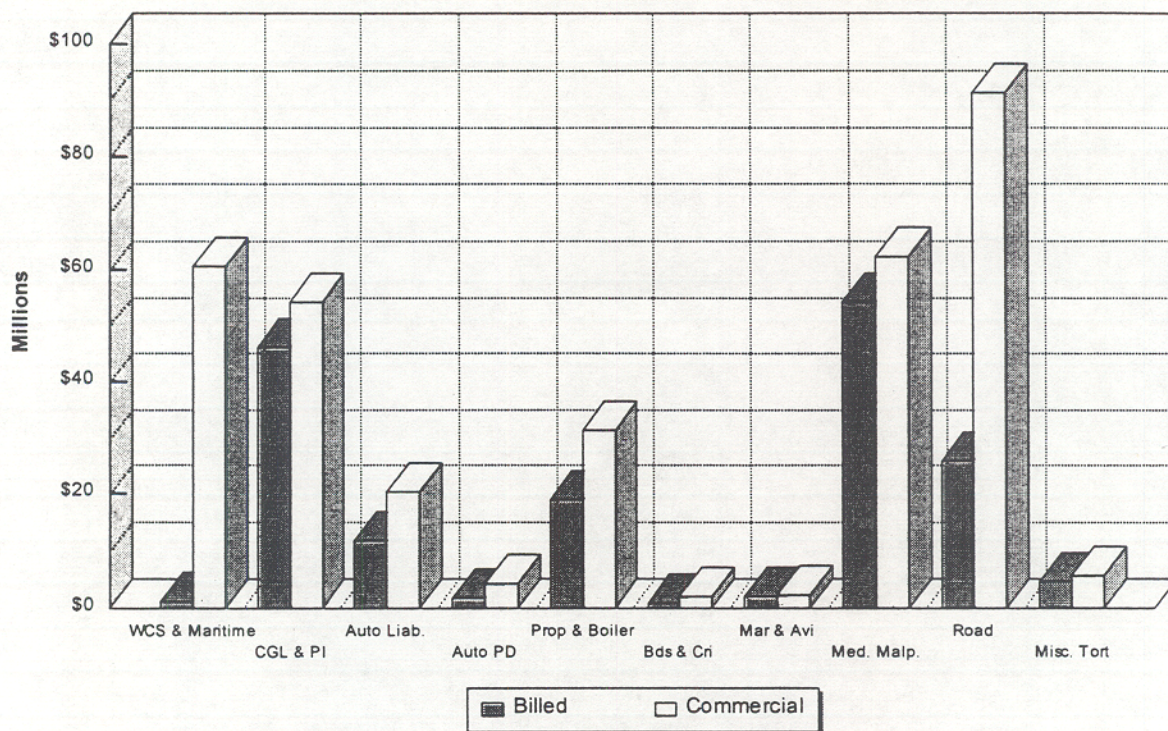
ORM PREMIUMS vs. COMMERCIAL EQUIVALENTS SUMMARY



Coverage	Billed	Commercial	Savings
Self - Insured Lines	\$219,995,167	\$334,206,577	\$114,211,410
Uninsured Lines	\$2,438,754	\$3,198,300	\$759,546
Totals	\$222,433,921	\$337,404,877	\$114,970,956

Premium Comparison and Program Savings

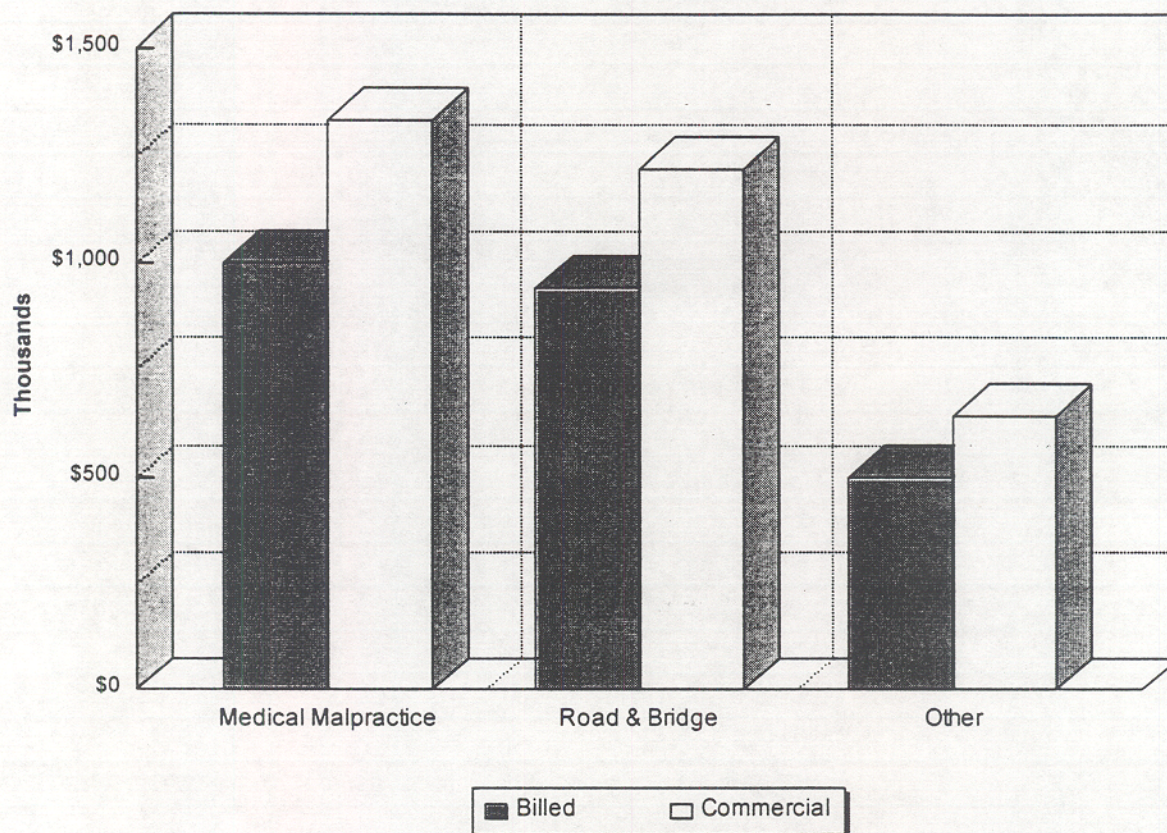
ORM PREMIUMS vs. COMMERCIAL EQUIVALENTS SELF-INSURED LINES



Coverage	Billed	Commercial	Savings
WCS & Maritime	\$1,110,891	\$60,572,501	\$59,461,610
CGL & PI	\$46,033,128	\$54,236,378	\$8,203,250
Auto Liability	\$11,604,634	\$20,313,016	\$8,708,382
Auto Physical Damage	\$1,678,536	\$4,290,048	\$2,611,512
Property & Boiler/Mach	\$18,844,334	\$31,475,301	\$12,630,967
Bonds & Crime	\$705,973	\$1,973,708	\$1,267,735
Marine & Aviation	\$1,962,059	\$2,211,377	\$249,318
Medical Malpractice	\$54,075,622	\$62,348,243	\$8,272,621
Road & Bridge	\$25,788,030	\$91,210,170	\$65,422,140
Misc. Tort	\$4,440,802	\$5,575,835	\$1,135,033

Premium Comparison and Program Savings

ORM PREMIUMS vs. COMMERCIAL EQUIVALENTS UNINSURED LINES



Coverage	Billed	Commercial	Savings
Medical Malpractice	\$999,966	\$1,335,068	\$335,102
Road & Bridge	\$941,499	\$1,219,242	\$277,743
Other	\$497,289	\$643,990	\$612,845

Premium Comparison and Program Savings

The following reflects a brief explanation of the method used to develop the equivalent commercial premiums indicated in the graphics depicting premium comparison.

Automobile Liability and Automobile Physical Damage

Since the majority of State vehicles are garaged in the Baton Rouge area, we used the commercial automobile rate found in the commercial lines manual for the Baton Rouge territory. This is the industry accepted manual used by most insurance companies. The manual rate for coverage equal to that provided by the self-insured retention was multiplied times the number of vehicles. Where a fleet discount was applicable, the premium was discounted by the appropriate amount. To this we added the premium of the commercial policy which is excess over the self-insured retention. This premium was that quoted by the low, successful bidder determined in the competitive bid process. The total gives an estimated premium if the coverage were 100% commercially insured.

Blanket Property

Commercially insured property premiums are based on rates assigned by the Property Insurance Association of Louisiana (PIAL). Each building has its own rate assigned by PIAL. At present, ORM is unable to compute a commercial comparison using the current rates. However, prior to July 1, 1986, the old rates for each building were used to compute the self-insured premiums and rates were in the computerized property system maintained on the DOA Office of Information Services mainframe. ORM computed the State rate by dividing the State's values insured as of July 1, 1985 by 100. That result was then divided into the premium for July 1, 1985. This gave a rate per \$100 of value. To compute the commercial comparison, ORM has used this last State rate for the State's buildings and added to that the commercial rates for coverages added since Fiscal Year 1985-86. This rate was used to compute the premium for all State property excluding the Superdome and the Cajundome. For the latter two buildings we used the current PIAL rate and computed the commercial premium for coverages equivalent to the self-insured program. The premium derived from each of these three computations were added to determine the commercial comparison for the entire State's property values.

Premium Comparison and Program Savings

The administrators of the Office of Risk Management believe that the Office is making great strides toward consistent financial stability and total quality management. Its consistent use of strategic planning and other important management tools are setting the direction of the agency into the new century.